SECRET

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2 July 1957

MEMORANDUM FOR: Chief,

FI/OPS,

SUBJECT

Renewal of Project AESAURUS/AENOBLE

- 1. It is requested that Project AENOBLE be renewed for the fourteenmonth period beginning 1 July 1957 and ending 31 August 1958. This renewal is submitted for fourteen months rather than one year in response to FI Staff's request to SR/COP to stagger renewal requests for projects normally renewed on a fiscal year basis. Changes from the attached project outline dated 1 July 1956 are covered in this memorandum.
- 2. AENOBLE is presently maintaining contact with four active agents inside the USSR, of which two are joint NTS-CIA 1952 infiltrees and two are Berlin REDCAP recruits developed through Project AESAURUS/AESIR. One potential agent developed through AESIR, but still in the pre-recruitment stage, is also handled by AENOBLE.
- 3. Agent gains and losses in this project during Fiscal Year 1957 were as follows:
 - A. One agent (SHUBA 913) recruited through the AESAURUS/AESIR REDCAP mechanism in Berlin was taken over by AENOBLE when he returned to the USSR from East Germany in early 1957.
 - B. One partially developed agent (SHUBA 906), who returned to the USSR in late 1956 from East Germany, is being handled by AENOBLE. Very little is known about this agent and he is not yet considered a reporting source.
 - C. One joint NTS-CIA 1953 infiltree (SHUBA 810), the last of the eight agents dispatched in 1953, was surfaced by the Soviets in February 1957. He had been carried as controlled for some time prior to his surfacing.
 - D. Another agent (SHUBA 900), originally recruited in Berlin, has evidently come under RIS control. Investigation as to whether this agent was an RIS provocation from the beginning of his development is still in progress. No further FI exploitation of this agent is planned, owing to the shortage of support facilities with which to maintain a convincing play of his case and to his past poor record as an information producer.
 - E. Five agents, all old SIS (British) NTS cases, have been dropped as sources of information because of their failure to produce and the

lack of information available to us on their background and activities. Any further communications received from them will be monitored only, and no further CIA action will be taken with them.

4. Following are CI/OA case numbers of agents presently carried under this project:

S 166 (principal agent) C-31807

s 802 C-2029

s 803 C-2030

S 827 (papers have been submitted to CI/OA)

s 913 C-56456

5 906 -- has not been submitted for operational approval processing owing to lack of information on him.

Such processing will be initiated when sufficient data has been collected.

- 5. Production. Between 1 July 1956 and 31 May 1957 AENOBLE produced 30 raw information reports from inside the USSR, out of which there were disseminated 19 information reports (five raw reports are still in process). Of the 19 disseminations, 13 were on military or military-geographic subjects, five concerned political information, and one was on an industrial subject. One of the yet unprocessed raw reports is a biological sample taken in the area of a suspected biologicals producer, and still being analyzed.
- 6. With several exceptions (from S 810), the reports produced by AENOBLE were evaluated as of value or higher and possibly true or higher. The most significant item produced was a series of three observations of Aircraft Plant No. 64 at Voronezh. These observations, which were taken over a period of approximately five months, enabled customer offices to confirm the plant's production as being BADGER aircraft, determine within one-half aircraft per month the plant's rate of production, estimate the plant's total production to date; and determine a probable production starting date for BADGERS at Plant No. 64. The observations of Plant 64 were passed to the British and Canadian governments, and one element of the British Air Ministry evaluated the information as of considerable value and very accurate.
- 7. During FY 1957 AENOBLE also produced a small amount of operational information. The main emphasis was, however, and will continue to be, on targets of priority positive intelligence interest. No illegal penetration operations involving NTS personnel are planned under AENOBLE during Fiscal Year 1958, nor will any candidates for such operations be assessed under this project.
- 8. Although improved to a slight degree, primarily through the efforts of the REDSKIN program, facilities for operational support of this activity inside of the Soviet Union remain quite meager, and, as in the past,

support available is confined mostly to internal mailing of letters; mail correspondence, with its limitations in regard to speed and volume, continues to be the basic means of communications.

- 9. To date, hot war and crisis planning for AENOBLE agents has been limited to issuing instructions as to what to report in the event of a crisis. Emergency instructions were issued to the radio-equipped agents (of which only S 802 and S 803 remain) during the Hungarian-Middle East crisis in late 1956. Further developments along these lines must be confined to additional briefing on reporting and communications. Realistically, we do not consider that the present agents, equipped as they are, will be of much value as reporting sources in a hot-war situation. Continuing attention is paid, however, to opportunities for equipping agents newly recruited by AESIR in Berlin with at least a one-way radio communications link; to date no attempt to do this has been successful.
- 10. During Fiscal Year 1957, less than \$100.00 was obligated from the \$4,800 provided in the FY 1957 budget for this project. The estimated cost for the operation for the period 1 July 1957 31 August 1958 is as follows:

Travel of staff employees for purposes of operational review of agent cases and for support purposes. \$1,500.00

Expenses involved in base end support of communications.

500.00

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Principal agent travel and operational expenses (purchase of operational information, research, operational support).

750.00

Purchase of rubles and/or commodity items to be cached for internal agents.

750.00

TOTAL

\$3,500.00

Chief, SR Division, /FI Starf

Attachment

SEALER I

10 July 1957

MATERIEL AND FACILITIES REQUIREMENTS ANNEX PROJECT - AENOBLE - FI

Logistics support is not required for project AENOBLE as submitted for renewal for the period 1 July 1957 through 31 August 1958.

Acting Unier, SK/Logistics